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October 31, 2000

VIA FACSIMILE & OVERNIGHT DELIVERY

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

Re: Docket No. 00-00906: Application of McLeodUSA Telecommunications Services, Inc. and CapRock Telecommunications Corp. for Authority to Transfer Certificate of Public Convenience and Necessity

Dear Mr. Waddell:

On behalf of McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") and CapRock Telecommunications Corp. ("CTC") (McLeodUSA and CTC collectively, "Applicants"), enclosed please find an original and thirteen (13) copies of Applicants' response to the October 16, 2000 letter from the Tennessee Regulatory Authority ("Authority") requesting supplemental information for the above-referenced Application. Attached below please find the issues presented in the letter, along with Applicants' response.

1. The Application states the following: "Backed by McLeod's substantial financial resources, and supported by a management team with proven experience in the telecommunications industry, McLeodUSA is well qualified to provide competitive local exchange service in Tennessee pursuant to the Certificate granted to CapRock." Please provide a list of the members of McLeodUSA's current management team accompanied by their addresses and applicable educational and professional backgrounds.

Response: Attached as Exhibit A, please find a list of McLeodUSA's management team accompanied by their addresses and applicable educational and professional backgrounds.

2. Competitive Local Exchange Carriers in Tennessee are required, pursuant to Tennessee Code Annotated, § 65-5-212, to file a Small and Minority-Owned Telecommunications Business Participation Plan with the Authority. Please describe McLeodUSA's "plan for purchasing goods and services from small and minority-owned telecommunications businesses and information on programs, if any, to provide technical assistance to such businesses."

POSTED
11-2-00

Response: Attached as Exhibit B, please find McLeodUSA's Small and Minority-Owned Telecommunications Business Participation Plan.

Please date-stamp the enclosed extra copy of filing, and return it in the self-addressed, postage prepaid envelope provided. Should you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

Grace R. Chiu
Heather A. Thomas

Counsel for
McLeodUSA Telecommunications Services, Inc. and
CapRock Telecommunications Corp.

cc: David R. Conn (McLeod)
William A. Haas (McLeod)
Michael G. Donohoe (CapRock)
Andrew D. Lipman

EXHIBIT A

APPLICANT'S MANAGEMENT BIOGRAPHIES

Clark E. McLeod

Mr. McLeod founded the Company and has served as Chairman, Chief Executive Officer and a director of the Company since its inception in June 1991. His previous business venture, Teleconnect, an Iowa-based long distance telecommunications company, was founded in January 1980. Mr. McLeod served as Chairman and Chief Executive Officer of Teleconnect from January 1980 to December 1988, and from December 1988 to August 1990, he served as President of Telecom*USA, the successor to Teleconnect following its merger with SouthernNet, Inc. in December 1988. By 1990, Telecom*USA had become America's fourth largest long distance telecommunications company with nearly 6,000 employees. MCI purchased Telecom*USA in August 1990 for \$1.25 billion.

Stephen C. Gray

Mr. Gray was named President and Chief Executive Officer of McLeodUSA Local Services in January 2000. He has also served as Chief Operating Officer of the Company since September 1992, President since October 1994 and a director since April 1993. Prior to joining the Company, Mr. Gray served from August 1990 to September 1992 as Vice President of Business Services at MCI, where he was responsible for MCI's local access strategy and for marketing and sales support of the Business Markets division. From February 1988 to August 1990, he served as Senior Vice President of National Accounts and Carrier Services for Telecom*USA, where his responsibilities included sales, marketing, key contract negotiations and strategic acquisitions and combinations. Prior to joining Telecom*USA, from September 1986 to February 1988, Mr. Gray held a variety of management positions with Williams Telecommunications Company, a long distance telephone company.

Roy A. Wilkens

Mr. Wilkens was named Chief Technology Officer as well as President and Chief Executive Officer of McLeodUSA Data Services in January 2000. Mr. Wilkens has served as a director of McLeodUSA since June 1999. Mr. Wilkens was President of the Williams Pipeline Company when he founded WilTel Network Services as an operating unit of the Williams Companies, Inc., in 1985. He was founder/Chief Executive Officer of WilTel Network Services from 1985 to 1997. In 1995, WilTel Network Services was acquired by LDDS Communications, which now operates under the name WorldCom. Mr. Wilkens served as Vice Chairman of WorldCom until his retirement in 1997. In 1992, Mr. Wilkens was appointed by President George Bush to the National Security Telecommunications Advisory Council. He also has served as chairman of both the Competitive Telecommunications Association (CompTel) and the National Telecommunications Network. Mr. Wilkens is a director of Splitrock Services, Inc., Paging Network, Inc., UniDial Inc., and Orillion Corporation.

Michael J. Brown

Mr. Brown was named Group Vice President - Chief Service Officer in December 1999. Mr. Brown served as Group Vice President - Customer Support from September 1998 until December 1999, as Senior Vice President - Customer Support from February 1998 until September 1998, and as Senior Vice President of Sales for Colorado, Minnesota, North Dakota and South Dakota from August 1997 until February 1998. Prior to the above named positions, Mr. Brown held many positions at McLeodUSA including: Director of Iowa Sales, January 1994 - September 1994; Vice President of Sales, September 1994 - July 1995; and Vice President, Telecommunications, July 1995 - March 1996 which included sales, marketing, and customer service responsibilities. From March 1996 to February 1998, Mr. Brown served as Vice President of Sales for various field sales regions of the Company. Before joining McLeodUSA, Mr. Brown was with MCI from 1990 to 1994, where as Director for Iowa, Nebraska, and South Dakota in the Business Services division, Mike received the "Spirit of MCI" award in 1993 from Chairman Bert Roberts, one of the highest awards presented at MCI. Prior to MCI, Mike was Regional Director of Sales for Teleconnect and Telecom*USA for the Illinois Region from 1987 to 1990. Other positions from 1981 - 1990 were all in the telecommunications industry, primarily in sales and sales management capacities.

J. Lyle Patrick

Since September 1997, Mr. Patrick has had responsibility for financial, billing and other administrative functions of the Company, as well as directing the Company's regulatory and legislative efforts with various state and national agencies. From 1988 until September of 1997, Mr. Patrick was Vice President and Chief Financial Officer of Consolidated Communications Inc. Mr. Patrick is a Certified Public Accountant and was a partner with Arthur Andersen LLP for the 14 years prior to his tenure with CCI. Mr. Patrick is the immediate past Chairman of the CompTel Board of Directors, the national competitive telecommunications association. He is a past Chairman of the Illinois Telecommunications Association Board of Directors, and has served on various committees as well as the Board of Directors of the United States Telephone Association.

Randall Rings

Mr. Rings was named Group Vice President - Chief Legal Officer of McLeodUSA in June 2000. He had previously served as Vice President, Secretary and General Counsel of the Company since March 1998. From May 1996 to March 1998, he served as General Counsel of McLeodUSA Publishing, where he was responsible for its legal, legislative and regulatory affairs. Prior to 1996, Mr. Rings served as an Associate Attorney at March & McMillan, P.C., with a diverse legal practice which included business planning, commercial litigation, employment and environmental law, and representation of electric and telephone cooperatives. From November 1988 to June 1992, he served as Corporate Counsel to the Association of Illinois Electric Cooperatives, where he acted as its chief legal officer and advised electric and telephone cooperatives throughout Illinois on corporate, tax, employment and other legal matters.

Steven J. Shirar

Mr. Shirar was named Group Vice President - Chief Sales Officer in April 2000. Mr. Shirar served as Chief Marketing Officer from December 1999 to April 2000, as Regional President - Southern Region from September 1998 until December 1999, and as Executive Vice President of Telecommunications Marketing from September 1997 until September 1998. From August 1996 until September 1997, Mr. Shirar was President of Consolidated Systems and Services, a billing services and software development subsidiary of Consolidated Communications Inc. From September 1994 through August 1996, Mr. Shirar was Chief Operating Officer of MedAdvantage, a Michigan-based managed health care concern. From January 1992 until August 1994, he was President of Ameritech Industrial Infosource, Inc., an advertising services and publishing concern with offices in the U.S. and six European countries. From January 1989 through December 1991, Mr. Shirar was responsible for corporate and market strategy development for Ameritech, focused on the consumer and small business marketplace. In the years prior to that position, he held a number of engineering, operations and marketing positions with Ameritech.

All members of McLeodUSA's management team can be reached through McLeodUSA's principal place of business:

McLeodUSA Technology Park
6400 C Street, S.W.
P.O. Box 3177
Cedar Rapids, Iowa 52406-3177

EXHIBIT B

McLeodUSA Telecommunications Services, Inc.
Small and Minority Owned Telecommunications
Business Participation Plan

Policy Statement

McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") will, to the extent that it is feasible and economical, attempt to purchase goods and services from small and minority telecommunications businesses in connection with the provision of McLeodUSA's telecommunications services in Tennessee, and will provide, to the maximum extent feasible, technical assistance to such businesses in Tennessee.

Definitions

McLeodUSA- McLeodUSA Telecommunications Services, Inc.

Small Business- a telecommunications business with annual gross receipts of less than four million dollars (as defined pursuant to T.C.A. § 65-5-212).

Minority Business- a telecommunications business that is solely owned, or at least fifty-one percent of the assets or outstanding stock of which is owned by an individual who personally manages and controls the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (as defined pursuant to T.C.A. § 65-5-212).

Implementation

McLeodUSA will undertake all reasonable efforts to ensure that opportunities for small and minority owned telecommunications businesses to do business with McLeodUSA are equivalent to those provided to those entities which are not small and/or minority owned. McLeodUSA will make the purpose of this plan known to its employees that have responsibility for making relevant decisions regarding McLeodUSA's purchase of goods and services.

McLeodUSA will undertake efforts to identify eligible small business and minority business providers of goods and services of the type it expects to use in its Tennessee operations. McLeodUSA will appoint one of its employees as the Administrator of the Plan ("Plan Administrator"). In particular, the Plan Administrator will use the following resources to identify qualified businesses: the Chambers of Commerce, the Tennessee Department of Economic and Community Development, the U.S. Small Business Administration, and the Office of Minority Business of the U.S. Department of Commerce, the National Minority Supplier Development Council, the National Association of Women Business Owners, and the National Association of Minority Contractors.

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McLeodUSA will invite bids or proposals, or otherwise solicit offers from small and minority-owned telecommunications businesses to furnish goods and services to McLeodUSA in connection with its Tennessee operations. Selection of contractors will be based upon price and quality considerations, with full and equal consideration given to proposals submitted by small businesses and minority businesses.

Plan Administrator

This plan will be administered by:

Chuck Hammond
6400 C Street, S.W.
P.O. Box 3177
Cedar Rapids, Iowa 52406-3177
Telephone: (319) 364-0000
Facsimile: (319) 790-7015

In addition to identifying qualified minority/small businesses, the Plan Administrator will develop policies and procedures to assure the success of the plan. Specifically, the Plan Administrator's responsibilities pursuant to this plan include the following:

- i. To develop and maintain a list of eligible Small and Minority-Owned Telecommunications Businesses.
- ii. To obtain available resources for identifying Small and Minority-Owned Telecommunications Businesses interested in furnishing goods and services to McLeodUSA to cultivate an awareness among such businesses as to any opportunities to develop business relations with McLeodUSA.
- iii. To serve as a resource for technical assistance to Small and Minority-Owned Telecommunications Businesses and to refer such businesses to sources of information and other technical assistance.
- iv. To ensure that Small and Minority-Owned Telecommunications Businesses are included in the solicitation for goods and services which they are capable of providing.
- v. To review solicitations to ensure that they do not inhibit competition from Small and Minority-Owned Telecommunications Businesses for contracts for goods and services which they are capable of providing such services.

- vi. To maintain McLeodUSA's records of solicitations and contract awards, and any related correspondence.
- vii. To review and evaluate McLeodUSA's annual performance on Small and Minority-Owned Telecommunications Business contracting.
- viii. To provide required records and reports and to cooperate in any authorized review or reasonable and appropriate surveys or studies by the Tennessee Regulatory Authority.
- ix. To ensure that McLeodUSA submits reports, as may be required, for use in connection with subcontracting plans by the Tennessee Regulatory Authority and/or the State of Tennessee.
- x. To prepare and submit annual updates to this Plan as required by T.C.A. § 65-5-212.

Records

If and when McLeodUSA decides to purchase goods and services from a third party in Tennessee in connection with its Tennessee operations, McLeodUSA will maintain records relating to this plan for the purpose of evidencing the implementation of this policy, for use by McLeodUSA in evaluating the effectiveness of this plan and in obtaining the policy goal as set forth in this plan, and for use in updating this plan on an annual basis with the Tennessee Regulatory Authority, or as otherwise required. In conjunction with this Record Maintenance, McLeodUSA reserves the right to designate documents, reports, surveys and/or studies as "confidential" or "proprietary."

This plan is a statement of objectives and is not intended to create any legal obligation of McLeodUSA Telecommunications Services, Inc. or any of its employees.